

John Wheatley College
Board of Management
Financial Control Committee

Minutes of the Financial Control Committee held on 6 December 2004 at 5pm, in the Alex Viola Suite (Room SO9), Easterhouse Campus

1. Sederunt

The meeting commenced at 5pm and was attended by:

J Graham (Chair);
M Axford;
G Jones; and
P Craig

In Attendance

I Graham (Principal);
A Kirk (Depute Principal);
A Sherry (Assistant Principal);
B Forrest (Chief Accountant);
A Inglis (Assistant Principal); and
S Wilkie (for recording purposes only)

2. Apologies

J Cope

3. Terms of Reference

Members noted the terms of reference for the Audit Committee. It was confirmed that the meeting as quorate with 4 members in attendance.

4. Declaration of Interest

There were no declarations of interest expressed at the meeting.

5. Minutes of the Audit Committee held on 31 August 2004.

These minutes will be considered at the meeting scheduled for 24 February 2005.

6. Annual Accounts – financial year 2003/04

Mr Kirk spoke to his report informing members that the College was required to produce on an annual basis, a report and statement of accounts for financial/academic year 2003/04.

Mr Kirk confirmed that the annual report and statement of accounts are attached as appendix 1 to this report. He noted that the report contains a number of sections as required by the Statement of Recommended Practice: Accounting in Further and Higher Education Institutions (SORP) and the Accounts Direction published by the Scottish Further Education Funding Council. He informed members that Audit Scotland, in their role as external auditors, had produced an unqualified report which stated that the annual accounts were true and accurate and that the College had appropriate policies and procedures in place.

The Depute Principal then highlighted an error which was detailed in page 8 of the accounts last paragraph 'The College's grant-in-aid settlement during 2004/04 amounted to £5,685million' this should read £5.685 million.

Members of the Committee considered the annual accounts and identified a small number of minor amendments to the statement of accounts. (The amendments are attached as an appendix to these minutes.) Members agreed that the Chief Accountant should make these minor amendments be should be made prior to the Audit Committee scheduled for the 7 December 2005. The Chief Accountant further agreed to ensure that the Audit Scotland were made aware of the proposed revisions and endorsed them.

The Principal confirmed that the final version of accounts be considered at the Board meeting on Thursday 9 December 2004. He also advised that the document could not be placed in the Public Domain until advised by the Auditor General for Scotland. In these circumstances, Appendix 1 would not be available (for the time being) for public scrutiny. In addition he intimated that the Accounts would, in due course, be considered at the meeting of the College's Joint Consultative Committee (JCC) for the information of staff representatives.

Members of the Financial Control Committee agreed to:

- (i) note the contents of this report and its revised appendix which takes into account the minor amendments identified by members;
- (ii) note the contents of the College's Annual Report and Accounts for the year ending 31 July 2004;
- (iii) endorse the Annual Report and Accounts for the year ending 31 July 2004; and
- (iv) for the Annual Report and Accounts for the year ending 31 July 2004 be forwarded to the Board of Management for approval and signature by the Chair and Principal.

7. Draft Annual Audit Report – financial year 2003/04

Mr Graham spoke to Mr O'Brien's report and advised members of an overview of the work of its Audit Committee during financial/academic year 2003/04. He confirmed that the sector's financial memorandum requires that the Board submit this report to the SFEFC by the end of calendar year 2004.

The Principal advised that the report has been drafted to comply with the Audit Direction issued to the Further Education (FE) Sector in Scotland by the SFEFC.

Mr Graham confirmed that under Section 2 'Annual Audit Report – Discussion Protocols', the College are obliged to state who undertakes the provision of audit services. He noted that under the SFEFC's Audit Direction the Board's Audit Committee is required to meet a minimum of three (3) times per year. During financial year 2003/04 the Committee met on seven (7) occasions. Two (2) of which were additional meetings to consider the appointment of Internal Auditors.

The Principal reiterated that Baker Tilly confirmed that the College has 'an adequate framework of control over the systems examined'. He reported that the External Auditors confirmed that the College had recorded a surplus for the year of £27,000. He also noted that SFEFC now judges the College's financial position to be 'secure'.

Mr Graham advised that with complications arising from the change in Internal Auditors and other factors, progress in the area of value for money was uneven, but discussions are underway with Internal Auditors to bring this agenda up to date in the current year.

The Principal confirmed that this report would be forwarded to SFEFC in late December following consideration by the Board at the meeting scheduled for 9 December 2004.

It was, however, noted that Audit Scotland's Management letter was unlikely to be ready in time to be included in the Annual Audit Report (an interim statement had been provided instead). It would, as a consequence, be necessary for the Board to consider that document at a future meeting prior to its submission to the SFEFC.

Members noted this report by the Chair of the Audit Committee.

8. Closure

Having discussed all items on the agenda the Chair of the Committee thanked members for their attendance. The meeting closed at 5.35pm.

9. Date of Next Meeting

Members were advised that the next meeting of the Committee would take place on 24 February 2005 at 5.00pm in the Alex Viola Room (SO9), Easterhouse Campus.